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August 27, 2002

Hon. James H. Welsh Commissioner of Conservation P. O. Box 94275 Baton Rouge, Louisiana 70804

Re: Hackberry Zone, Reservoir A; Welsh Field, Jefferson Davis Parish, Louisiana

## Dear Commissioner Welsh:

Application is hereby made on behalf of Kerr-McGee Rocky Mountain Corporation to the Commissioner of Conservation for the calling of a public hearing, after legal notice, pertaining to the following matters relative to the Hackberry Zone, Welsh Field, Jefferson Davis Parish, Louisiana:

- 1. To establish rules and regulations governing the exploration for and production of gas and condensate from the Hackberry Zone, in the Welsh Field, Jefferson Davis Parish, Louisiana;
- 2. To create a single drilling and production unit for the Hackberry Zone, designated as the HBY RA SUA, as shown on the plat attached hereto;

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- 3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the units so created on a surface acreage basis of participation;
- 4. To allow the Commissioner of Conservation to reclassify the reservoir by supplemental order, without the necessity of a public hearing, should the producing characteristics of the reservoir change and evidence to justify reclassification is submitted to and accepted by the Commissioner of Conservation;
- 5. To consider such other matters as may be pertinent to the Hackberry Zone, Reservoir A.

The Hackberry Zone has been previously defined in Office of Conservation Order No. 1193-A-2, effective June 12,1985, and is hereby further defined between the depths of 11,640' and 13,350' (electric log measurements) in the Lear Petroleum Exploration, Inc. - Boling No. 1, located in Section 34, Township 9 South, Range 4 West, Jefferson Davis Parish, Louisiana.

The pre-application conference was held as scheduled on August 26, 2002. In attendance were the parties shown on the attached list. The conference was opened by James C. Bates, attorney for the applicant, and turned over the Travis Helms, consulting geologist with Cutright & Hardwick, who discussed the bases of the applicant's plan and answered questions concerning same. Mr. Bill Clay, a consulting geologist representing the Moore interests, indicated that his position was that the applicant's unit proposal was premature because no well location has been permitted. After further questions and answers, the conference was adjourned. At this time, it is believed that at the hearing there will be opposition to the creation of the proposed unit.

In addition to furnishing the legal notice to all Interested Owners, Represented Parties and Interested Parties, the applicant will provide for posting of the legal notice of the hearing and unit plat in a prominent place in the area of Welsh Field. Additionally, the legal notice will be published in a newspaper of general circulation in the vicinity of Welsh Field at least fifteen (15) days before the hearing date.

All pertinent data relating to this proposed application may be obtained AT THE COST OF THE REQUESTING PARTY from Cutright & Hardwick, P. O. Box 80972, Lafayette, Louisiana, 70598-0972, (337) 232-7756.

Since no change has been made to the proposal as shown on the plat attached to the preapplication notice, no plat is attached hereto. Enclosed to the Commissioner of Conservation and District Manager ONLY is a list of Interested Owners, Interested Parties and Represented Parties Hon. James H. Welch Commissioner of Conservation Page 3

to whom a copy of this notice is being sent. Copies of this list will be provided upon request. A reasonable effort has been made to ascertain the names and addresses of all Interested Owners, Interested Parties or Represented Parties. Also enclosed is our check payable to the Office of Conservation, representing the required hearing application fee.

Very truly yours,

STRAIN, DENNIS, MAYHALL

&BATES, L.L.P.

James C. Bates

JCB:mw Enclosures

cc:

Mr. Richard Hudson District Manager

Interested Parties Interested Owners Represented Parties

